

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:5941

ANSWERED ON:02.05.2003

AVOIDANCE OF ANTI DUMPING DUTY BY EOUS/EPZ UNITS

KAMBALAPADU E. KRISHNAMURTHY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Export Oriented Units and Export Processing Zones are avoiding Anti-Dumping Duty payment as they sell the imported produce in the domestic tariff area which is badly affecting the domestic pharmaceutical companies;
- (b) if so, the details thereof;
- (c) whether the policy of the Government is not clear in this direction;
- (d) whether Indian Drug Manufacturers Association has brought to the notice of the Government about this anomaly; and
- (e) if so, the steps taken by the Government to alleviate the problems of pharmaceutical companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (e) Export Oriented Units and the units in Export Processing Zones (since converted into Special Economic Zones) are entitled to import without payment of customs duty, including anti-dumping duty, all types of goods for export production. The units are also entitled to sell a part of the manufactured products in the Domestic Tariff Area in terms of Export and Import Policy on payment of applicable duties. Since manufactured goods, and not imported inputs, are sold in the domestic tariff area, it is seen that there is no avoidance of payment of anti dumping duty as represented by the Drugs Manufacturers Association. Further, no domestic sale is being granted at present to EOU engaged in compacting/micronization.